

ESTIMATED REVENUE EFFECTS OF THE CHAIRMAN'S MARK OF H.R. 976,
THE "SMALL BUSINESS TAX RELIEF ACT OF 2007,"
SCHEDULED FOR MARKUP BY THE COMMITTEE ON WAYS AND MEANS ON FEBRUARY 12, 2007

Fiscal Years 2007 - 2017

[Millions of Dollars]

Provision	Effective	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2007-12	2007-17
I. Small Business Provisions														
1. Extension and modification of the work opportunity tax credit ("WOTC") - extend present law WOTC and expand targeted groups relating to veterans, high-risk youth, and vocational rehabilitation referrals (sunset 12/31/08).....	wpoifibwa DOE	[1]	-148	-253	-140	-63	-38	-24	-12	-7	-6	-4	-641	-695
2. Increase and extension of expensing for small business - increase section 179 expensing to \$125,000 and increase the phaseout threshold amount to \$500,000; include software in section 179 property; and index both the deduction limit and the phaseout threshold (sunset 12/31/10).....	tyba 12/31/06	-140	-229	-157	-3,100	-1,832	1,955	1,242	896	680	410	207	-3,503	-68
3. Tax credit for Social Security taxes paid with respect to employee cash tips - set applicable minimum wage for purposes of calculating the FICA tip credit at \$5.15 [2].....	trfspa 12/31/06	----- <i>No Revenue Effect</i> -----												
4. Allow work opportunity credit and credit for taxes paid with respect to employee cash tips against the alternative minimum tax ("AMT"):														
a. Permit individual and corporate taxpayers to claim the WOTC against the AMT.....	cdi tyba 12/31/06	-11	-53	-40	8	19	16	12	10	7	6	5	-61	-20
b. Permit individual and corporate taxpayers to claim the FICA tip credit against the AMT.....	cdi tyba 12/31/06	-19	-111	-78	-64	-53	-46	-42	-38	-36	-34	-34	-370	-552
5. Family business tax simplification.....	tyba 12/31/06	----- <i>Negligible Revenue Effect</i> -----												
Total of Small Business Provisions		-170	-541	-528	-3,296	-1,929	1,887	1,188	856	644	376	174	-4,575	-1,335
II. Provisions That Raise Revenue														
1. Denial of the lower capital gains and dividend rate for dependents under the age of 24 who do not provide more than half of their own support with earned income.....	tyba 12/31/06	8	70	127	133	130	56	62	66	70	74	77	525	874
2. Modify interest suspension under section 6404(g) from 18 to 22 months.....	[3]	---	49	49	50	50	51	51	51	51	52	52	249	506
3. Increase corporate estimated tax payments due July through September for corporations with assets in excess of \$1 billion in 2012.....	DOE	---	---	---	---	---	4,026	-4,026	---	---	---	---	4,026	---
Total of Provisions That Raise Revenue		8	119	176	183	180	4,133	-3,913	117	121	126	129	4,800	1,380
NET TOTAL		-162	-422	-352	-3,113	-1,749	6,020	-2,725	973	765	502	303	225	45

Joint Committee on Taxation

NOTE: Details may not add to totals due to rounding. Date of enactment is assumed to be April 1, 2007.

[Legend and Footnotes for JCX-8-07 appear on the following page]

Legend and Footnotes for JCX-8-07:

Legend for "Effective" column:

cdi = credits determined in
DOE = date of enactment

trfspa = tips received for services performed after
tyba = taxable years beginning after

wpoifibwa = wages paid or incurred for individuals
beginning work after

- [1] Loss of less than \$500,000.
- [2] This provision would have no effect on Federal fiscal year budget receipts because the present-law minimum wage is \$5.15. If this provision were enacted after, or concurrent with, the enactment of the increase in the minimum wage contained in H.R. 2, as passed by the House of Representatives, this provision would reduce Federal fiscal year budget receipts by \$457 million over the fiscal year period 2007 through 2017.
- [3] Effective for IRS notices issued after the date which is six months after the date of enactment.